



**ASSEMBLY AMENDMENT 4,
TO ASSEMBLY SUBSTITUTE AMENDMENT 1,
TO 1997 ASSEMBLY BILL 768**

May 6, 1998 – Offered by Representative ROBSON.

1 At the locations indicated, amend the substitute amendment as follows:

2 **1.** Page 15, line 17: after “exclusion;” insert “requiring the department of
3 employe trust funds to establish a health care coverage plan for employers in the
4 private sector; creating a private employer health care coverage board;”.

5 **2.** Page 21, line 8: after that line insert:

6 “**SECTION 4ic.** 13.94 (1) (p) of the statutes is created to read:

7 13.94 (1) (p) No later than January 1, 2004, prepare a program evaluation audit
8 of the private employer health care coverage plan established under subch. X of ch.
9 40. The legislative audit bureau shall file a copy of the audit report under this
10 paragraph with the distributees specified in par. (b).

11 **SECTION 4id.** 13.94 (1) (p) of the statutes, as created by 1997 Wisconsin Act
12 (this act), is repealed.”.

1 **3.** Page 23, line 9: after that line insert:

2 “**SECTION 4qc.** 15.07 (1) (b) 22. of the statutes is created to read:

3 15.07 (1) (b) 22. Private employer health care coverage board.

4 **SECTION 4qd.** 15.07 (1) (b) 22. of the statutes, as created by 1997 Wisconsin Act

5 (this act), is repealed.”.

6 **4.** Page 23, line 17: after that line insert:

7 “**SECTION 4rc.** 15.165 (5) of the statutes is created to read:

8 15.165 (5) PRIVATE EMPLOYER HEALTH CARE COVERAGE BOARD. (a) There is created
9 in the department of employe trust funds a private employer health care coverage
10 board consisting of the secretary of employe trust funds or his or her designee, the
11 secretary of health and family services or his or her designee and the following
12 members appointed for 3–year terms:

- 13 1. One member who represents health maintenance organizations.
- 14 2. One member who represents hospitals.
- 15 3. One member who represents insurance agents, as defined in s. 628.02 (4).
- 16 4. Two members who are employes eligible to receive health care coverage
17 under subch. X of ch. 40 and whose employer employs not more than 50 employes.
- 18 5. One member who represents insurers.
- 19 6. Two members who are, or who represent, employers that employ not more
20 than 50 employes and who are eligible to offer health care coverage under subch. X
21 of ch. 40.
- 22 7. One member who is a physician, as defined in s. 448.01 (5).
- 23 8. Two members who represent the public interest.

1 (b) The secretary of employe trust funds or his or her designee and the secretary
2 of health and family services or his or her designee shall be nonvoting members.

3 **SECTION 4rd.** 15.165 (5) of the statutes, as created by 1997 Wisconsin Act ...
4 (this act), is repealed.”.

5 **5.** Page 28, line 17: after that line insert:

6 **“20.515 Employe trust funds, department of**

7 (2) PRIVATE EMPLOYER HEALTH CARE COVERAGE PLAN

8 (a) Private employer health care

9 coverage plan; start-up costs GPR A -0- -0-”.

10 **6.** Page 45, line 8: after that line insert:

11 **“SECTION 48p.** 20.515 (2) (title) of the statutes is created to read:

12 20.515 (2) (title) PRIVATE EMPLOYER HEALTH CARE COVERAGE PLAN.

13 **SECTION 48pc.** 20.515 (2) (title) of the statutes, as created by 1997 Wisconsin
14 Act ... (this act), is repealed.

15 **SECTION 48pd.** 20.515 (2) (a) of the statutes is created to read:

16 20.515 (2) (a) *Private employer health care coverage plan; start-up costs.* The
17 amounts in the schedule for the start-up costs for designing, establishing and
18 administering the private employer health care coverage plan under subch. X of ch.
19 40.

20 **SECTION 48pe.** 20.515 (2) (a) of the statutes, as created by 1997 Wisconsin Act
21 ... (this act), is repealed.

22 **SECTION 48pf.** 20.515 (2) (g) of the statutes is created to read:

23 20.515 (2) (g) *Private employer health care coverage plan.* All moneys received
24 under subch. X of ch. 40 from employers who elect to participate in the private

1 employer health care coverage plan under subch. X of ch. 40, for the costs of
2 designing, establishing and administering the plan.

3 **SECTION 48pg.** 20.515 (2) (g) of the statutes, as created by 1997 Wisconsin Act
4 (this act), is repealed.”.

5 **7.** Page 84, line 10: after that line insert:

6 “**SECTION 83xc.** 40.02 (26) (intro.) of the statutes is amended to read:

7 40.02 **(26)** (intro.) “Employe” means any person who receives earnings as
8 payment for personal services rendered for the benefit of any employer including
9 officers of the employer, except as provided in subch. X. An employe is deemed to
10 have separated from the service of an employer at the end of the day on which the
11 employe last performed services for the employer, or, if later, the day on which the
12 employe-employer relationship is terminated because of the expiration or
13 termination of leave without pay, sick leave, vacation or other leave of absence. A
14 person shall not be considered an employe if a person:

15 **SECTION 83xcm.** 40.02 (26) (intro.) of the statutes, as affected by 1997
16 Wisconsin Act (this act), is amended to read:

17 40.02 **(26)** (intro.) “Employe” means any person who receives earnings as
18 payment for personal services rendered for the benefit of any employer including
19 officers of the employer, ~~except as provided in subch. X~~. An employe is deemed to
20 have separated from the service of an employer at the end of the day on which the
21 employe last performed services for the employer, or, if later, the day on which the
22 employe-employer relationship is terminated because of the expiration or
23 termination of leave without pay, sick leave, vacation or other leave of absence. A
24 person shall not be considered an employe if a person:

1 **SECTION 83xd.** 40.02 (28) of the statutes is amended to read:

2 40.02 (28) "Employer" means the state, including each state agency, any
3 county, city, village, town, school district, other governmental unit or
4 instrumentality of 2 or more units of government now existing or hereafter created
5 within the state ~~and~~, any federated public library system established under s. 43.19
6 whose territory lies within a single county with a population of 500,000 or more and
7 a local exposition district created under subch. II of ch. 229, except as provided under
8 ss. 40.51 (7) and 40.61 (3), ~~or a local exposition district created under subch. II of ch.~~
9 ~~229 and subch. X.~~ Each employer shall be a separate legal jurisdiction for OASDHI
10 purposes.

11 **"SECTION 83xdm.** 40.02 (28) of the statutes, as affected by 1997 Wisconsin Act
12 (this act), is amended to read:

13 40.02 (28) "Employer" means the state, including each state agency, any
14 county, city, village, town, school district, other governmental unit or
15 instrumentality of 2 or more units of government now existing or hereafter created
16 within the state, any federated public library system established under s. 43.19
17 whose territory lies within a single county with a population of 500,000 or more and
18 a local exposition district created under subch. II of ch. 229, except as provided under
19 ss. 40.51 (7) and 40.61 (3) ~~and subch. X.~~ Each employer shall be a separate legal
20 jurisdiction for OASDHI purposes."

21 **8.** Page 84, line 11: delete "**82zx**" and substitute "**83xem**".

22 **9.** Page 88, line 13: after that line insert:

23 **"SECTION 90bv.** Subchapter X of chapter 40 [precedes 40.98] of the statutes is
24 created to read:

1 3. The person is a patient or inmate of a hospital, home or institution and
2 performs services in the hospital, home or institution.

3 (d) "Employer" means any person who is doing business or operating an
4 organization in this state and who employs at least 2 employees, but who is not an
5 employer, as defined in s. 40.02 (28).

6 (e) "Health care coverage plan" means the health care coverage plan
7 established under sub. (2) (a).

8 (f) "Insurer" has the meaning given in s. 600.03 (27).

9 **(2)** (a) The department shall design, establish and administer an actuarially
10 sound health care coverage plan for employers that provides coverage beginning not
11 later than January 1, 2000. In designing the health care coverage plan, the
12 department shall consult with the departments of commerce and health and family
13 services and the office of the commissioner of insurance. In establishing the health
14 care coverage plan, the department shall solicit and accept bids and enter into
15 contracts with insurers who are to provide health care coverage under the health
16 care coverage plan. The health care coverage plan is subject to the provisions of chs.
17 600 to 646 that apply to group health benefit plans, as defined in s. 632.745 (9), to
18 the same extent as any other group health benefit plan, as defined in s. 632.745 (9).
19 Before the health care coverage plan may be implemented, the board must approve
20 the plan.

21 (am) The health care coverage plan established under par. (a) may not be
22 combined with any health care coverage plan under subch. IV.

23 (b) The health care coverage plan shall require that all insurance rates under
24 the plan be published annually in a single publication that is made available to

1 employers and employes. The rates shall be listed by county and by any other factor
2 that the department considers appropriate.

3 (c) The health care coverage plan shall have an enrollment period that is
4 established by the board.

5 (d) The department shall charge employers who participate in the health care
6 coverage plan a fee to cover the department's cost in designing, establishing and
7 administering the health care coverage plan. All moneys received under this
8 paragraph shall be credited to the appropriation account under s. 20.515 (2) (g).

9 (e) The department may not sell any health care coverage plan to an employer
10 or enroll any employe in the health care coverage plan, but the department may
11 publicize the availability of the health care coverage plan for employers.

12 (f) The department may enter into a contract with any person to provide
13 services relating to the administration of the health care coverage plan.

14 **(3)** Any employer who participates in the health care coverage plan shall do all
15 of the following:

16 (a) Offer health care coverage under the plan to all of its permanent employes
17 who have a normal work week of 30 or more hours and may offer health care coverage
18 under the plan to any of its other employes.

19 (b) Provide health care coverage under the plan to at least 50% of its permanent
20 employes who have a normal work week of 30 or more hours and who do not otherwise
21 receive health care coverage as a dependent under any other plan that is not offered
22 by the employer.

23 (c) Pay for each employe at least 50% but not more than 100% of the lowest
24 premium rate that would be available to the employer for that employe's coverage
25 under the health care coverage plan.

1 (d) Make premium payments for the health care coverage of its employes in the
2 manner specified by the board.

3 (4) Any employer that provides health care coverage for its employes under the
4 plan and that voluntarily terminates coverage under the plan is not eligible to
5 participate in the plan for at least 3 years from the date that coverage is terminated.

6 (5) Any insurer that offers the health care coverage plan shall provide coverage
7 under the plan to any employer that applies for coverage, and to all of the employer's
8 employes who elect coverage under the health care coverage plan, without regard to
9 the health condition or claims experience of any individual who would be covered
10 under the health care coverage plan if all of the following apply:

11 (a) The employer agrees to pay the premium required for coverage under the
12 health care coverage plan.

13 (b) The employer agrees to comply with all provisions of the health care
14 coverage plan that apply generally to a policyholder or an insured without regard to
15 health condition or claims experience.

16 (6) (a) The health care coverage plan may only be sold by insurance agents
17 licensed under ch. 628.

18 (b) An insurance agent may not sell any health care coverage under the health
19 care coverage plan on behalf of an insurer unless he or she is employed by the insurer
20 or has a contract with the insurer to sell the health care coverage on behalf of the
21 insurer.

22 (c) The board shall set, and may adjust as often as semiannually, the
23 commission rate at which an insurer shall compensate an insurance agent for the
24 sale of a policy under the health care coverage plan. The rate shall be based on the

1 average commission rate that insurance agents are paid in the state for the sale of
2 comparable health insurance policies at the time that the rate is set or adjusted.

3 (d) An insurer shall specify on the first page of any policy sold under the health
4 care coverage plan the amount of the commission paid to the insurance agent.

5 (7) (a) Annually, on or before December 31, the board shall submit a report to
6 the appropriate standing committees under s. 13.172 (3) and to the governor on the
7 operation of the health care coverage plan. The report shall specify the number of
8 employers participating in the health care coverage plan, calculate the costs of the
9 health care coverage plan to employers and their employees and include
10 recommendations for improving the health care coverage plan.

11 (b) No later than January 1, 2003, the board shall submit a report to the
12 appropriate standing committees under s. 13.172 (3) and to the governor that offers
13 recommendations as to whether the department should continue to administer the
14 health care coverage plan, whether a different state agency should administer the
15 health care coverage plan or whether the health care coverage plan should be
16 administered by a private nonprofit organization. If the board recommends that a
17 different state agency administer the health care coverage plan or that the health
18 care coverage plan be administered by a private nonprofit organization, the board
19 shall submit proposed legislation to the appropriate standing committees under s.
20 13.172 (3) at the time that the board submits its report.

21 **SECTION 90bvc.** Subchapter X of chapter 40 [precedes 40.98] of the statutes,
22 as created by 1997 Wisconsin Act (this act), is repealed.”.

23 **10.** Page 511, line 20: after that line insert:

24 **“SECTION 9115. Nonstatutory provisions; employe trust funds.**

1 (1xv) PRIVATE EMPLOYER HEALTH CARE COVERAGE BOARD. Notwithstanding the
2 length of terms specified for the members of the private employer health care
3 coverage board under section 15.165 (5) of the statutes, as created by this act, the
4 initial members shall be appointed for the following terms:

5 (a) The members specified under section 15.165 (5) (a) 1., 3. and 7. of the
6 statutes, as created by this act, for terms expiring on May 1, 2000.

7 (b) The members specified under section 15.165 (5) (a) 2., 5. and 8. of the
8 statutes, as created by this act, for terms expiring on May 1, 2001.

9 (c) The members specified under section 15.165 (5) (a) 4. and 6. of the statutes,
10 as created by this act, for terms expiring on May 1, 2002.

11 (1xw) POSITION AUTHORIZATIONS FOR THE DEPARTMENT OF EMPLOYEE TRUST FUNDS.
12 The authorized FTE positions for the department of employee trust funds are
13 increased by 3.5 GPR positions on the effective date of this subsection, to be funded
14 from the appropriation under section 20.515 (2) (a) of the statutes, as created by this
15 act, for the purpose of designing, establishing and administering the private
16 employer health care coverage plan under subchapter X of chapter 40 of the statutes,
17 as created by this act.”.

18 **11.** Page 576, line 22: after that line insert:

19 “(2xv) PRIVATE EMPLOYER HEALTH CARE COVERAGE PLAN.

20 (a) The repeal of section 20.515 (2) (a) of the statutes takes effect on January
21 1, 2000.

22 (b) The amendment of section 40.02 (26) (intro.) (by SECTION 83xcm) and (28) (by
23 SECTION 83xdm) of the statutes takes effect on January 1, 2007.

